

Exhibit to Agenda Item #13.a.

Authorize SMUD's Accountant to:

- a. Utilize \$41 million of deferred operating revenues in order to offset future Community Impact Plan expenditures from 2022 through 2025 in order to match such expenditures in the appropriate accounting period for rate-making purposes.

Board of Directors Meeting

Thursday, November 17, 2022, scheduled to begin at 5:30 p.m.

Virtual Meeting (online)

Regulatory Accounting – Deferred revenues utilized for Expenditures

- In 2020 and 2021 SMUD deferred \$35 million/year, (total \$70 million) of operating revenues
- Expenditures identified:
 - Community Impact Plan
 - \$41 million of expenditures for 2022 through 2025

Request for Authorization

- Authorize SMUD's Accountant to utilize \$41 million of deferred operating revenues in order to offset future Community Impact Plan expenditures from 2022 through 2025 in order to match revenue with expenditures in the appropriate accounting period for rate-making purposes.